United Nations A/68/6 (Sect. 26)

General Assembly

Distr.: General
25 March 2013

Original: English

Sixty-eighth session

Proposed programme budget for the biennium 2014-2015*

Part VI
Human rights and humanitarian affairs

Section 26
Palestine refugees

(Programme 22 of the biennial programme plan for the period 2014-2015)**

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* A summary of the approved programme budget will be issued as A/68/6/Add.1.

** A/67/6/Rev.1.

*** The present report does not contain an annex on outputs included in the biennium 2012-2013 not to be delivered in 2014-2015, given that there are no discontinued outputs.

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Overview

Table 26.1 **Financial resources**
(United States dollars)

Approved resources for 2012-2013[a]	48 929 100
Technical adjustments (delayed impact and removal of non-recurrent requirements)	2 087 200
Changes in line with General Assembly resolution 67/248	(1 473 200)
Total resource change	614 000
Proposal of the Secretary-General for 2014-2015[a]	49 543 100

[a] At 2012-2013 rates.

Table 26.2 **Post resources**

	Number	*Level*
Regular budget		
Approved for the biennium 2012-2013	146	1 USG, 1 ASG, 8 D-2, 10 D-1, 27 P-5, 57 P-4, 29 P-3, 2 P-2/1, 11 GS (OL)
Abolishment	(5)	1 P-5, 2 P-4, 2 GS (OL)
Proposed for the biennium 2014-2015	141	1 USG, 1 ASG, 8 D-2, 10 D-1, 26 P-5, 55 P-4, 29 P-3, 2 P-2/1, 9 GS (OL)

Overall orientation

26.1 The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was established within the United Nations system as a subsidiary organ of the General Assembly by the Assembly in its resolution 302 (IV), from which the Agency derives its mandate to provide assistance to Palestine refugees. Since starting operations in 1950, UNRWA has adapted and enhanced its programmes to meet the increasingly complex needs of refugees and to provide them with a measure of protection and stability amid chronic conflict in the region, within available resources. It stands ready to continue to do so during the biennium 2014-2015 in accordance with the triennial mandate that it receives from the Assembly.

26.2 UNRWA reports directly to the General Assembly. Overall advice and support to the Commissioner-General regarding UNRWA programmes and activities are provided by the 28-member Advisory Commission (comprising 25 members and 3 observers), which includes representatives of the Agency's major donors and host Governments. In its resolution 3331 B (XXIX), the Assembly decided that, with effect from 1 January 1975, the expenses for salaries of international staff in the service of UNRWA, which would otherwise have been charged to voluntary contributions, should be financed by the regular budget of the United Nations for the duration of the Agency's mandate.

26.3 The mission of UNRWA is to help Palestine refugees achieve their full potential in human development under the difficult circumstances in which they live, consistent with internationally agreed goals and standards.

Note: The following abbreviations are used in tables and charts: ASG, Assistant Secretary-General; GS, General Service; OL, Other level; PL, Principal level; RB, regular budget; USG, Under-Secretary-General; XB, extrabudgetary.

26.4 During the biennium 2014-2015, UNRWA seeks to further strengthen its management and service delivery, focusing on prioritizing service quality and access to and coverage of refugees most in need. As part of the planning approach forming the core of its medium-term strategy for 2010-2015, the Agency has identified three human development goals: a long and healthy life; acquired knowledge and skills; and a decent standard of living. Progress towards these goals will drive its operations during the biennium 2014-2015. The UNRWA biennial plan for the period 2014-2015 is presented within the framework of these goals.

26.5 Under the three goals, UNRWA aims to obtain its objectives by maintaining and improving the provision of education and health services, relief and social support, microfinance services, infrastructure and camp improvement within refugee camps and protection for the benefit of registered Palestine refugees in Jordan, Lebanon, the Syrian Arab Republic, the West Bank and the Gaza Strip, a population that is projected to reach 5.2 million by 2013.

26.6 Since 2000, the Agency has provided emergency assistance to refugees in acute distress within its areas of operations as a result of armed conflict, including military operations, humanitarian access restrictions and prolonged economic hardship in the occupied Palestinian territory and Lebanon. This emergency assistance programme reaches more than 1 million refugees annually. UNRWA will continue to provide such services, as necessary, as well as, on an exceptional basis and as a temporary measure, services to non-refugees currently displaced and in serious need of continued assistance, as mandated by the General Assembly in its resolution 2252 (ES-V) and most recently in its resolution 66/73.

26.7 UNRWA will also continue its efforts to mainstream a gender perspective and meet the needs of refugee children and vulnerable groups, and to further develop its protection, programming, operation and advocacy responses, thereby bringing it closer to fulfilling its obligations under relevant resolutions of the General Assembly, international human rights law, the Beijing Platform for Action, the Convention on the Rights of the Child, the Convention on the Rights of Persons with Disabilities and other applicable international instruments.

26.8 UNRWA is almost entirely dependent on voluntary funding to implement its programmes. It has contended not only with chronic funding shortfalls, but also with acute funding uncertainties induced by economic and political volatility. The Agency will continue to seek the additional resources that it needs to improve the quality of services that it provides to refugees, while maintaining cost-conscious management and the operational flexibility required to respond to unforeseen disruptions to lives and livelihoods in Palestine refugee communities.

26.9 UNRWA is committed to efficient, accountable management as an essential means of improving services to refugees, and sustaining the confidence of all stakeholders, including the Member States of the General Assembly. Under the rubric of ongoing reforms, UNRWA is strengthening the framework of policies and practices which ensure that all levels of management remain accountable. An aspect of the process is the reinforcement of all components of the internal oversight function. The Agency will enhance the complementarity and scope for synergies in the oversight functions, namely audit, evaluation, investigations and ethics, through dedicated human and systems capacity. Moreover, UNRWA will continue its efforts to strengthen the results-based management systems and practices, which will improve the Agency's programmatic and financial performance information and transparency, and support the implementation of strategic and operational plans at the field and headquarters levels. The system and periodic reviews of strategic and operational plans are essential for equipping managers and staff with the necessary management information and tools, and will strengthen the Agency's reporting to the United Nations Secretariat. Internal and external accountability will be further promoted through improved financial and human resources performance reports, providing operational units and managers with more detailed and timely information for efficient results-based resource management. To this end, the Agency has embarked

on the implementation of an enterprise resource planning system in partnership with the World Food Programme, adopting the Programme's "WINGS II" solution. Having completed two major phases, the project preparation phase and the business blueprinting phase, the Agency expects to complete the realization phase by 2015, at which point it will have a fully operational comprehensive tool for the improved management of its resources.

26.10 It is proposed to close the UNRWA Representative Office to the United Nations Office in Geneva. The Office was established in 2001. It was staffed by a Head of Office (P-5), an Administrative Assistant (General Service (Other level)) and, from 2007, a Senior Liaison Officer (P-4). In 2007, UNRWA also established its Representative Office to the European Union in Brussels to enhance its dialogue and resource mobilization prospects with European Union institutions, from which the Agency receives over $200 million per year in voluntary funding. The Brussels office was managed by the Head of the Representative Office in Geneva. In 2008, the Head of Office established his permanent base in Brussels and regularly continued to visit the office in Geneva. The Agency's funding requirements have been presenting significant challenges in recent years, which led to a review of the use of its scarce human and financial resources. In that context, a decision was taken to concentrate its representative functions in Brussels. The Agency deemed that this platform, by virtue of its closeness to the main donors, offered more substantial opportunities for direct fundraising as opposed to the humanitarian coordination, official representation and public visibility functions performed in Geneva. Hence, the Senior Liaison Officer was transferred to the Brussels office. The goal was to further strengthen Agency relations with European Union institutions, while also entrusting the Brussels office with a portfolio for bilateral relations with European Union member States. The Administrative Assistant at the Geneva office continued to monitor relevant activities taking place at the United Nations Office in Geneva and to provide support to missions of Agency officials visiting Geneva. In line with the decision to consolidate resources, however, the Commissioner-General decided to proceed with closing the UNRWA Representative Office to the United Nations Office in Geneva in 2013. The strengthening of the Brussels office continues to offer greater opportunities for fundraising, which are essential to lowering the recurrent budget deficit affecting the Agency.

26.11 The core inter-agency partnerships of UNRWA date to its founding in 1949, when the United Nations Educational, Scientific and Cultural Organization and the World Health Organization helped to establish norms for the UNRWA education and health programmes. Both organizations continue to furnish strategic assistance to UNRWA. The Agency continues to interact regularly with the United Nations country teams and their member organizations to improve synergies, in particular in the area of service delivery, in keeping with the respective organizational mandates. UNRWA also maintains and has expanded a number of partnerships with non-governmental organizations through memorandums of understanding in order to maximize its technical capacity to deliver more effective and efficient results in key service delivery areas.

Overview of resources

26.12 The overall resources required for the biennium 2014-2015 for this section amount to $49,543,100 before recosting, reflecting a net increase of $614,000 (or 1.3 per cent) compared with the 2012-2013 budget at revised rates. Resource changes result from two factors, namely (a) technical adjustments relating to the delayed impact of new posts approved for 2012-2013 and (b) resource changes in line with General Assembly resolution 67/248. The distribution of resources is reflected in tables 26.3 and 26.4.

Table 26.3 Financial resources by component

(Thousands of United States dollars)

(1) *Regular budget*

Component	2010-2011 expenditure	2012-2013 resources at revised rates	Resource changes: Technical adjustment (delayed impact and non-recurrent)	Resource changes: New mandates and inter-component changes	Resource changes: In line with resolution 67/248	Resource changes: Reflected in budget outline report[a]	Resource changes: Total	Resource changes: Percentage	Total before recosting	Recosting	2014-2015 estimate
Programme of work	48 060.4	48 929.1	2 087.2	–	(1 473.2)	–	614.0	1.3	49 543.1	1 460.4	51 003.5

(2) *Extrabudgetary*

	2010-2011 expenditure	2012-2013 estimate	2014-2015 estimate
Programme of work	1 497 536.5	2 011.447.7	1 912 019.8
Total (1) and (2)	**1 545 596.9**	**2 060 376.8**	**1 963 023.3**

[a] A/67/529 and Corr.1.

Table 26.4 Post resources

Category	Established regular budget[a] 2012-2013	Established regular budget[a] 2014-2015	Temporary: Regular budget 2012-2013	Temporary: Regular budget 2014-2015	Temporary: Extrabudgetary 2012-2013	Temporary: Extrabudgetary 2014-2015	Total 2012-2013	Total 2014-2015
Professional and higher								
USG	1	1	–	–	–	–	1	1
ASG	1	1	–	–	–	–	1	1
D-2	8	8	–	–	2	2	10	10
D-1	10	10	–	–	2	2	12	12
P-5	27	26	–	–	7	8	34	34
P-4/3	86	84	–	–	54	57	140	141
P-2/1	2	2	–	–	3	3	5	5
Subtotal	**135**	**132**	**–**	**–**	**68**	**72**	**203**	**204**
General Service								
Other level	11	9	–	–	7	7	18	16
Subtotal	**11**	**9**	**–**	**–**	**7**	**7**	**18**	**16**
Total	**146**	**141**	**–**	**–**	**75**	**79**	**221**	**220**

[a] UNRWA local staff numbering 29,624 are not included in the present table.

Technical adjustments

26.13 Resource changes in the amount of $2,087,200 relate to the delayed impact of 13 new posts (1 D-1, 3 P-5, 4 P-4 and 5 P-3) that were established in 2012-2013 pursuant to General Assembly resolution 66/246.

Changes in line with General Assembly resolution 67/248

26.14 Resource changes of $1,473,200 are proposed in line with General Assembly resolution 67/248, as reflected in table 26.5.

Table 26.5 **Resource changes in line with General Assembly resolution 67/248**

Item	*Net reductions in inputs*	*Description*	*Reductions in the volume of outputs*	*Reductions in performance targets*
1	**Programme of work** Abolishment: 1 P-5 Deputy Director UNRWA Affairs 1 P-4 Field Procurement and Logistics Officer 1 P-4 Field Human Resources Officer	**Change in funding modality for three posts in the Syrian Arab Republic.** Total reduction: $1,078,400 It is intended to cover the functions of the three posts using resources from the Syrian humanitarian assistance response plan.	–	–
2	**Programme of work** Abolishment: 1 GS (OL) Driver Increase of overtime	**More intensive usage of pool of international drivers.** Total net reduction: $136,500 The functions of the abolished GS (OL) post located in the West Bank would be covered in part by making more intensive use of the pool of international drivers and by using overtime if needed.	–	–
3	**Programme of work** Abolishment: 1 GS (OL) Administrative Assistant	**Review of the use of human and financial resources and subsequent closure of the Representative Office in Geneva.** Total reduction: $258,300 UNRWA has reviewed the use of its human and financial resources and in line with this review decided to proceed with closing the Representative Office in Geneva. The post of Administrative Assistant in the Geneva office would be abolished.	–	–

Extrabudgetary resources

26.15 During the biennium 2014-2015, extrabudgetary resources estimated at $1.91 billion would complement resources from the regular budget to enable the Agency to provide assistance to Palestine refugees, taking into account the evolving operational environment in the occupied Palestinian territory. Extrabudgetary funding represents approximately 97.4 per cent of the total UNRWA biennial budget. The variance between the revised 2012-2013 and the 2014-2015 estimates mainly reflects the uncertainty related to the Agency's projects, which are undertaken only when funding is received. The 2014-2015 estimates for projects are based on donor funding trends. The increase in staffing relates to the implementation of an enterprise resource planning system in partnership with the World Food Programme (see para. 26.9 above).

Other information

26.16 Pursuant to General Assembly resolution 58/269, resources identified for the conduct of monitoring and evaluation activities are estimated at $2,326,100, including (a) $1,361,100 from the regular budget for a total of 96 work-months at the Professional level; and (b) $965,000 from extrabudgetary resources for consultants and other costs. The reduction in resources for monitoring and evaluation under consultants is mainly due to a lower number of external evaluations planned owing to shortfalls in the Agency's extrabudgetary resources. The resources will be used for the evaluation of the holistic education reform; the evaluation of the merger of the relief and emergency programming in the Gaza field office, the youth initiative, the private sector job creation programme in the Gaza field office and the technical education and training programme; the social performance assessment of the microfinance programme; and the final evaluation of the enterprise resource planning initiative.

Programme of work

26.17 The programme of work will be implemented in accordance with the strategy detailed under programme 22 of the biennial programme plan for the period 2014-2015.

Subprogramme 1
A long and healthy life

Table 26.6 **Objectives for the biennium, expected accomplishments, indicators of achievement and performance measures**

Objective of the Organization: To protect, preserve and promote the health status of Palestine refugees

Expected accomplishments of the Secretariat	Indicators of achievement
(a) Universal access to quality, comprehensive primary health care	(a) Decrease in the antibiotic prescription rate *Performance measures* 2010-2011: 25 per cent Estimate 2012-2013: 25 per cent Target 2014-2015: 23 per cent
(b) Sustained protection and promotion of family health	(b) Percentage of women attending at least 4 antenatal care visits *Performance measures* 2010-2011: 89 per cent Estimate 2012-2013: 90 per cent Target 2014-2015: 92 per cent
(c) Ensured prevention and control of diseases	(c) (i) Immunization coverage rate against vaccine-preventable diseases maintained *Performance measures* 2010-2011: 99 per cent Estimate 2012-2013: 99 per cent Target 2014-2015: 99 per cent (ii) Percentage of shelters connected to the public water network maintained *Performance measures* 2010-2011: 100 per cent Estimate 2012-2013: 100 per cent Target 2014-2015: 100 per cent

(iii) Increase in the percentage of shelters connected to the public sewerage network

Performance measures

2010-2011: 92 per cent

Estimate 2012-2013: 94 per cent

Target 2014-2015: 95 per cent

External factors

26.18 The subprogramme is expected to achieve its objective and expected accomplishments on the assumption that:

(a) The cost of services and supplies promulgated by the host authorities does not suddenly increase, resulting in unplanned expenditures, especially in reimbursement of hospitalization services;

(b) Funding shortfalls do not limit the Agency's ability to cope with the increased burden of chronic diseases, provision of services to people with special health needs and improvement of the camp water and sanitation infrastructure;

(c) Crisis situations resulting in deterioration in health and nutritional status of the population and the current adverse conditions of security and access in the West Bank and Gaza do not hinder implementation of projects;

(d) Access to water resources is granted, which depends on the host authorities' plans.

Outputs

26.19 During the biennium 2014-2015, the following outputs will be delivered:

(a) Provision of 22.8 million outpatient medical consultations to refugees, of which 680,000 will be consultations with specialists, at the 137 Agency clinics for the treatment of acute and chronic diseases;

(b) Provision of antenatal, postnatal and family planning services, including screening for anaemia and provision of iron and vitamin supplements to 700,000 clients;

(c) Provision of infant and child health care and school health services for more than 500,000 children, including immunization for all registered children below 2 years of age with primary and booster vaccines;

(d) Screening for hypertension and diabetes mellitus for persons over 40 years of age at UNRWA health centres and provision of services to 500,000 patients suffering from non-communicable diseases;

(e) Training and recruiting of staff to ensure that health professionals, including health managers, have the right skills and capabilities, in particular in the area of new management practices, gender mainstreaming and protection issues;

(f) Further development of the health information management system and computerization at the primary health-care facility level with links to field offices and headquarters;

(g) Enhancement of health operational research through the conduct of periodic surveys to monitor health conditions and answer health questions related to the most vulnerable groups and to specific emerging situations;

(h) Rehabilitation or replacement of defective parts of the water supply, sewerage and drainage systems and construction of new networks in priority areas, based on a situation analysis of adequacy of the systems in place;

(i) In coordination with host Governments' partners, the development of new sources of drinking water to meet needs of refugees in accordance with the World Health Organization guidelines and local standards.

Subprogramme 2
Acquired knowledge and skills

Table 26.7 **Objectives for the biennium, expected accomplishments, indicators of achievement and performance measures**

Objective of the Organization: To meet the basic educational needs of Palestine refugees, in particular children and youth, and to improve their educational opportunities

Expected accomplishments of the Secretariat	Indicators of achievement
(a) Universal access to and coverage of basic education	(a) (i) Reduction in the dropout rate for pupils in the elementary education cycle *Performance measures* 2010-2011: 0.44 per cent Estimate 2012-2013: 0.40 per cent Target 2014-2015: 0.40 per cent (ii) Reduction in the dropout rate for pupils in the preparatory education cycle *Performance measures* 2010-2011: 2.41 per cent Estimate 2012-2013: 2.40 per cent Target 2014-2015: 2.40 per cent
(b) Educational quality and outcomes against set standards are enhanced	(b) Increase in the percentage change of the mean score obtained by students in learning achievement monitoring tests *Performance measures* 2010-2011: Not available Estimate 2012-2013: 2.5 per cent Target 2014-2015: 4 per cent

External factors

26.20 The subprogramme is expected to achieve its objectives and expected accomplishments on the assumption that:

(a) Political, social and economic conditions in the host countries do not worsen;

(b) Appropriate levels of funding are received;

(c) Alignment between host countries, development partners and the Agency is maintained in the area of education;

(d) Crisis situations do not further worsen, negatively affecting educational attainment levels owing to disruptions in school attendance and student trauma.

Outputs

26.21 During the biennium 2014-2015, the following outputs will be delivered:

(a) Provision of general education to approximately 500,000 eligible refugee children in close to 700 UNRWA elementary and preparatory schools (and secondary education in Lebanon);

(b) Qualitative and quantitative research to identify and address the key factors impacting quality education;

(c) Development and implementation of teacher policies and professional development strategies for approximately 18,000 teachers and targeted training courses to improve the quality of teaching and learning;

(d) Establishment of a policy framework and diagnostic tools to identify and support children with special needs and those at risk of dropping out;

(e) Implementation of learning achievement monitoring tests in one third of schools offering grades four and eight;

(f) Maintenance of schools and construction or renovation of educational facilities.

Subprogramme 3
A decent standard of living

Table 26.8 **Objectives for the biennium, expected accomplishments, indicators of achievement and performance measures**

Objective of the Organization: To improve the standard of living and advance the rights of Palestine refugees through services provided to the poor and vulnerable

Expected accomplishments of the Secretariat	Indicators of achievement
(a) Reduced poverty among the poorest Palestine refugees	(a) Increased percentage of abject poor among the beneficiaries of the UNRWA social safety net *Performance measures* 2010-2011: 53 per cent Estimate 2012-2013: 56 per cent Target 2014-2015: 59 per cent
(b) Inclusive financial services and access to credit and savings facilities are increased	(b) (i) Increase in the value of loans disbursed *Performance measures* Total: 2010-2011: $87,263,400 Estimate 2012-2013: $174 million Target 2014-2015: $246 million Women: 2010-2011: $19,950,000 Estimate 2012-2013: $29.5 million Target 2014-2015: $45 million (ii) Increase in the number of loans disbursed *Performance measures* Total: 2010-2011: 73,900 loans Estimate 2012-2013: 174,000 loans Target 2014-2015: 246,000 loans

	Women:
	2010-2011: 27,200 loans
	Estimate 2012-2013: 56,000 loans
	Target 2014-2015: 85,000 loans
(c) Enhanced skills and improved access to employment for Palestine refugees	(c) Increase in the female and male employment rates for graduates within 12 months of graduation
	Performance measures
	Female:
	2010-2011: 78.35 per cent
	Estimate 2012-2013: 80 per cent
	Target 2014-2015: 80 per cent
	Male:
	2010-2011: 75.67 per cent
	Estimate 2012-2013: 78 per cent
	Target 2014-2015: 78 per cent
(d) Sustained camp development and upgraded substandard infrastructure and accommodation	(d) Increase in the number of refugee families living in substandard shelters that have improved living conditions (excluding emergency shelters in Gaza and in Nahr el-Bared camp, Lebanon)
	Performance measures
	2010-2011: 4,340
	Estimate 2012-2013: 4,500
	Target 2014-2015: 5,500
(e) Rights of Palestine refugees are safeguarded and advanced	(e) (i) Increase in the percentage of UNRWA interventions on rights issues that prompted positive responses from the authorities or other target audience
	Performance measures
	2010-2011: 33 per cent
	Estimate 2012-2013: 35 per cent
	Target 2014-2015: 40 per cent

	(ii) Increase in the degree of compliance with UNRWA protection standards *Performance measures* 2010-2011: 50 per cent Estimate 2012-2013: 58 per cent Target 2014-2015: 70 per cent
(f) Strengthened capacity of refugees to formulate and implement sustainable social services in their communities	(f) Percentage of community-based organizations that improve their level of performance *Performance measures* 2010-2011: 65 per cent Estimate 2012-2013: 69 per cent Target 2014-2015: 72 per cent
(g) Palestine refugee registration and eligibility for UNRWA services are in accordance with relevant international standards	(g) Percentage of new inscriptions meeting UNRWA standards maintained *Performance measures* 2010-2011: 99 per cent Estimate 2012-2013: 99 per cent Target 2014-2015: 99 per cent

External factors

26.22 The subprogramme is expected to achieve its objectives and expected accomplishments on the assumption that:

(a) Economic conditions and poverty levels, including long-term poverty, compounded by the effects of emergencies, which affect the most vulnerable, do not further deteriorate;

(b) Donor funding grows in line with increased population needs;

(c) The political and security situation does not change to the degree that it affects the openness of channels of communication with relevant authorities;

(d) Violations of human rights and of international humanitarian law do not increase;

(e) Host countries facilitate the Agency's access to their available information systems, enabling the subprogramme to better identify poverty, unemployment and labour market trends and improve its intervention to better respond to the needs of the poorest refugees;

(f) The global economic crisis does not further affect the regional economy and labour market absorption rates and host countries' policies do not further restrict employment opportunities for Palestine refugees.

Outputs

26.23 During the biennium 2014-2015, the following outputs will be delivered:

(a) Provision of a social safety net to the poorest refugees, including direct support to approximately 250,000 refugees each year;

(b) Provision of short-term emergency assistance to vulnerable refugees affected by small-scale family emergencies and national crises focusing on greater harmonization between emergency and social safety net assistance;

(c) Provision of 185,000 business loans, 2,000 housing and 59,000 consumer loans to 100,000 refugees, of whom 35 per cent are women and 30 per cent are youth;

(d) Expansion of the network of microfinance branch offices to 31 to cover major cities and towns where there are large refugee populations;

(e) Diversification of the Agency's loan products in all locations and continuation of internal reforms designed to consolidate the microfinance programme's financial self-sufficiency and long-term transformation;

(f) Provision of training in technical and vocational skills to 7,000 students per year, of whom 40 per cent are women;

(g) Provision of counselling and appropriate career guidance to 3,000 technical and vocational training graduates and 10,000 school students;

(h) Adaptation of vocational training courses to be more responsive to labour market demands;

(i) Establishment of a clear baseline of the number of shelters that need rehabilitation in all camps;

(j) Rehabilitation of 4,500 substandard shelters;

(k) Increased respect of protection principles throughout the Agency's programming and service delivery, including through training and awareness-raising delivered to staff at all levels;

(l) Increased respect and protection of the rights of Palestine refugees by the relevant authorities, including through the development of an enhanced network of interlocutors to whom UNRWA systematically submits interventions;

(m) Strengthened human rights education programme and the promotion of violence-free schools;

(n) Capacity-building of more than 100 community-based organizations on management, finance and quality service provision;

(o) Improvement of registration services through a web-based database that provides real-time data and protects and preserves Palestine refugee records.

26.24 The distribution of resources is reflected in table 26.9.

Table 26.9 **Resource requirements**

	Resources (thousands of United States dollars)		*Posts*	
Category	*2012-2013*	*2014-2015 (before recosting)*	*2012-2013*	*2014-2015*
Regular budget				
Post	48 908.5	49 491.0	146	141
Non-post	20.6	52.1	–	–
Subtotal	**48 929.1**	**49 543.1**	**146**	**141**
Extrabudgetary[a]	2 011 447.7	1 912 019.8	75	79
Total	**2 060 376.8**	**1 961 562.9**	**221**	**220**

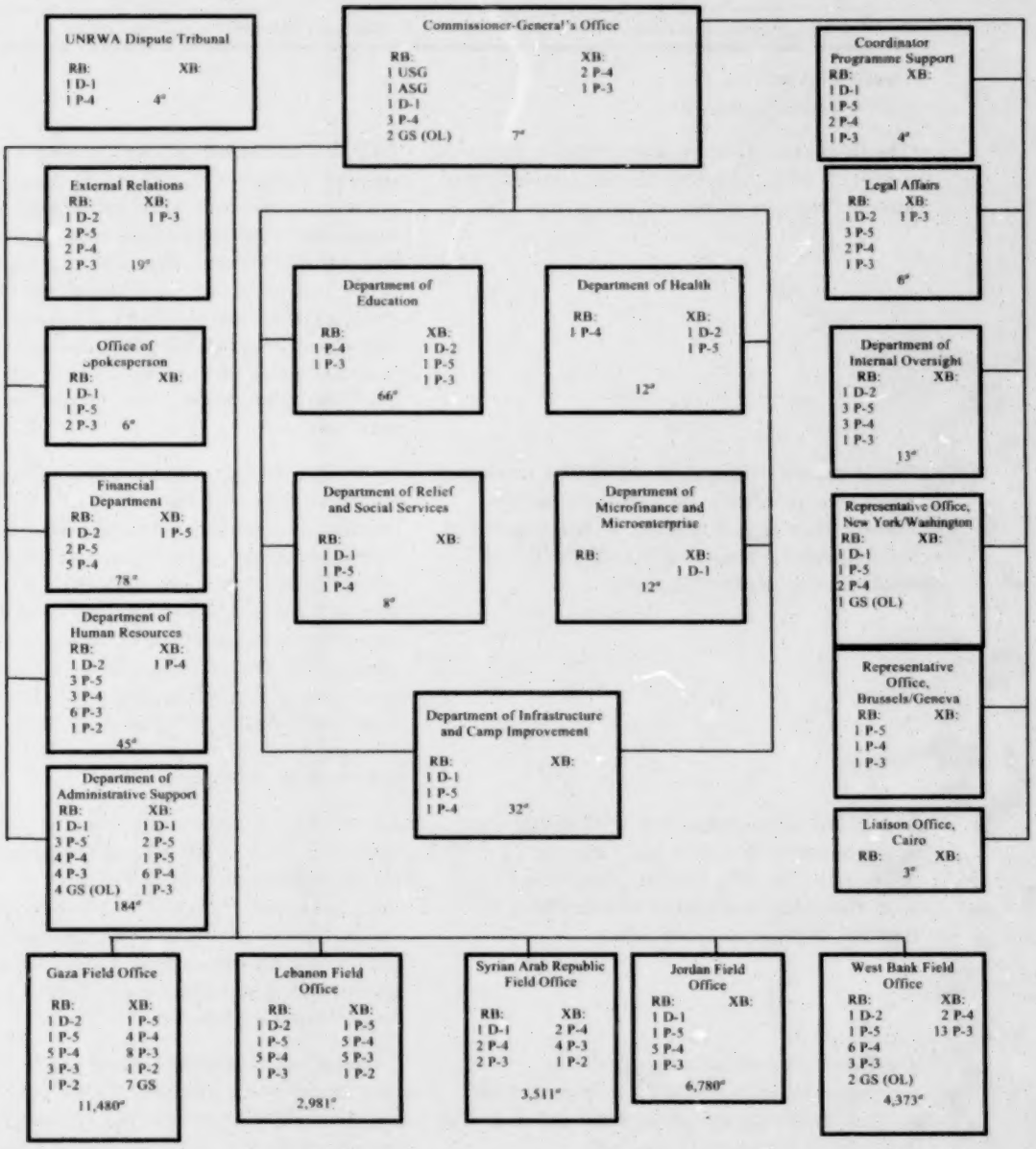
[a] UNRWA local staffing numbering 29,624 are funded from extrabudgetary resources.

26.25 The amount of $49,543,100 provides for 141 international posts and for general temporary assistance. The increase of $614,000 is the net result of the delayed impact of 13 new Professional posts (1 D-1, 3 P-5, 4 P-4 and 5 P-3) approved by the General Assembly for the biennium 2012-2013 ($2,087,200) and an increase in non-post resources ($31,500), partly offset by the abolishment of five posts ($1,504,700) in line with General Assembly resolution 67/248 as reflected in table 26.5.

26.26 During the biennium 2014-2015, the Agency projects that $1.91 billion of extrabudgetary resources will be required, in large part as a result of its strategic plan, which will enable it to provide assistance to Palestine refugees, and taking into account the evolving operational environment in the occupied Palestinian territory.

Annex I

Organizational structure and post distribution for the biennium 2014-2015



Note: There are 79 international posts that are funded through extrabudgetary resources.

[a] Local posts.

Annex II

Summary of follow-up action taken to implement the relevant recommendations of the oversight bodies

Brief description of the recommendation	*Action taken to implement the recommendation*
Board of Auditors (A/67/5/Add.3, chap. II)	
The Board recommends that UNRWA review the adequacy of its long-term resource mobilization strategy to address the cash flows (para. 26).	UNRWA developed its resource mobilization strategy in 2011. This strategy foresees a modest increase in funding from traditional donors and more predictable income. The strategy also aims to expand the Agency's donor base to include emerging donor countries and the private sector. UNRWA has been addressing financial shortfalls through a combination of additional resources made available by key donors and internal budgetary measures.
The Board recommends that UNRWA implement adequate strategies to address the residual matters identified in relation to its International Public Sector Accounting Standards (IPSAS) implementation plan (para. 36).	UNRWA went live with the implementation of IPSAS starting on 1 January 2012. The Agency has already implemented fixed assets, accounts receivable module, employee staff liabilities as per actuarial method, monthly closure on accrual basis and IPSAS opening balances adjustments. Requirements relating to intangible assets and financial regulations were completed in 2012. Requirements relating to leases were finalized in February 2013. Training for field offices began in 2012 and will continue throughout 2013.
The Board recommends that UNRWA develop and implement strategies to enable the organization to fully benefit from IPSAS implementation and assign responsibility for tracking of progress (para. 40).	Expected benefits resulting from the implementation of IPSAS were considered by management upon approval of the implementation plan. UNRWA has completed the exercise of identifying benefits such as improved assets management and inventory control and is in the process of formally documenting the benefits.
The Board reiterates its previous recommendation that UNRWA strengthen its controls regarding the preparation and review of its financial statements (para. 44).	Detailed and clear monthly and yearly instructions and a timetable for the closure of accounts and the preparation of financial statements have been implemented. Financial statements are automatically generated by the system and are currently prepared by the Head of General Accounts and reviewed by the Deputy Chief of Accounts and the Chief of

Brief description of the recommendation	*Action taken to implement the recommendation*
	Accounts and finally approved by the Director of Finance. The reports have been modified to include the new IPSAS policies.
The Board recommends that UNRWA (a) develop and implement an age analysis for outstanding contributions; and (b) consider the feasibility of including contributions receivable in its accounts receivable module in the general ledger (para. 47).	The donors' agreements do not usually include specific payment terms (instead, payment is usually associated with specific events). Hence assigning payment dates to the general fund contributions is not possible, and accordingly the normal aging process is not feasible. However the Agency closely tracks the contributions by years and reports this information to the management of the External Relations and Communications Department in its monthly financial report. A new system-generated report has been created in the accounts receivable module.
The Board recommends that UNRWA (a) assess the recoverability of long-outstanding value added tax receivable balances; (b) develop a policy for provision for doubtful debts; (c) raise a provision for doubtful debts where applicable to accurately reflect its outstanding receivables (para. 51).	UNRWA believes the value added tax debt can be recovered but notes that the recovery may be partial.
The Board recommends that UNRWA develop a funding strategy to enable it to honour all its end-of-service liabilities (para. 55).	The External Relations and Communications Department has developed a resource mobilization strategy designed to raise funds needed to deliver on its obligations to Palestine refugees. The strategy was endorsed by the Advisory Commission in November 2011.
The Board recommends that UNRWA (a) set organization-wide baselines and targets to benchmark its performance and (b) develop and implement procedures to review the accuracy and completeness of information captured in its performance management system (para. 58).	Baselines and targets were developed for the biennium 2010-2011 that allowed performance to be benchmarked and could be aggregated between fields. Since 2010 the Agency has conducted budget hearings where information on meeting targets is systematically reviewed. Since 2011 this system has been strengthened through a results-review process that includes a two-step process of verification of the data. In the first step, data consistency and accuracy are checked by the Programme Coordination and the Support Unit; in the second step, the data are checked by the technical departments at headquarters. Only after this verification are the data presented in the results review for further scrutiny by senior management.

Brief description of the recommendation	*Action taken to implement the recommendation*
UNRWA agreed with the Board's recommendation to prepare monthly reconciliations for all bank accounts and ensure that they are reviewed by senior officers throughout the financial period (para. 61).	Bank reconciliations for all bank accounts are prepared by the accounts divisions or sections at headquarters and in field offices on a monthly basis and reviewed by the field finance office or the Head of General Accounts and finally reviewed by the Treasury or the Chief of the Accounts Division. The only three instances where the bank reconciliations were not done were for three non-active bank accounts. These accounts were subsequently closed or the proper reconciliation was prepared.
The Board recommends that UNRWA (a) avoid implementing projects before the funds have been received from the donors and negotiate with its donors to receive funds in advance for project implementation, in order to reduce the risk involved in implementing projects before advances are received; and (b) put controls in place to ensure quicker clearing of completed projects' fund balances to avoid delays in project closure (para. 66).	The External Relations and Communications Department and the Finance Department have instituted regular discussion to better coordinate and ensure the timely closing of projects. The External Relations and Communications Department is unable to seek advances from donors for project funding. The funds for a project are received following the signature of the grant agreement.
The Board recommends that UNRWA implement streamlined project monitoring tools to enable its project managers to monitor the implementation of projects at headquarters and the field (para. 73).	The enterprise resource planning system will enable managers in the field and at headquarters to monitor the implementation of projects. This functionality is expected to come online in 2014.
UNRWA agreed with the Board's recommendation that it (a) close all operationally closed projects in the finance system in a timely manner; and (b) maintain updated financial reports on a monthly basis to avoid delays in project closure (para. 77).	The External Relations and Communications Department and the Finance Department have instituted regular discussion to better coordinate and ensure the timely closing of projects.
UNRWA agreed with the Board's recommendation that it (a) allow for adequate tender submission time frames in accordance with the Procurement Manual; (b) provide clarity on what constitutes "due cause"; and (c) instruct field offices to institute adequate procurement planning (para. 82).	Experience has shown that suppliers' interest is normally sufficient for the minimum requirements to be met in terms of the number of suppliers, even when tenders are open for a shorter period of time. Furthermore, requesting departments agreed with the Procurement and Logistics Department to use "due cause" to expedite the procurement process to deliver services more quickly to the beneficiaries. Field offices are reminded to ensure that they obtain the minimum number of suppliers for tenders and that they conduct regular reviews of vendor lists to ensure that those listed are

Brief description of the recommendation	*Action taken to implement the recommendation*
	responsive. The second version of the UNRWA Procurement Manual was issued on 1 August 2012 and incorporates a large number of lessons learned, updates and clarifications on issues gathered since the launch of the original manual in 2009. The revisions include amendments to the sections dealing with tender response rates and procurement planning. An overview of the amendments has been provided to procurement practitioners in the Agency. These actions satisfy the requirements of the audit recommendation in respect of items (a) and (c). For item (b) related to "due cause", given the diverse and challenging operational area that UNRWA works in, there is an extremely wide range of scenarios that could constitute "due cause". While this item was excluded from revisions incorporated into version 2 of the Procurement Manual, it is still being considered and will be issued as an amendment in due course once a final text is agreed.
UNRWA agreed with the Board's recommendation that it implement adequate reviews of waivers to ensure that proper procurement guidelines and processes are adhered to by all divisions and that waivers are granted only for genuine cases of exigency (para. 90).	A tracking process is now in place to allow for consolidated reporting on the use of the waiver reflecting the circumstances of the waiver and the value of the contract.
The Board recommends that UNRWA (a) conduct a review to establish the reasons for the high rate of waivers; (b) implement processes to monitor the use of waivers; and (c) adequately document and justify the use of waivers (para. 92).	A tracking process is now in place to allow for consolidated reporting on the use of the waiver reflecting the circumstances of the waiver and the value of the contract.

Brief description of the recommendation	*Action taken to implement the recommendation*
UNRWA agreed with the Board's recommendation that it enforce compliance with procurement procedures (para. 95).	UNRWA strives to avoid post facto cases but a number of cases nevertheless occur in view of the difficult environments in which the Agency operates and because of chronically difficult cash flow situations. The introduction of the enterprise resource planning system to the procurement process in mid-2014 will oblige all procurement staff to follow a standard procedure and hence all data will be captured. There will always be exceptions but these will be visible and can be evaluated. Either they will be justified or their recurrence can be avoided using tools such as policy changes, information technology system control enhancement or, in the last resort, administrative or disciplinary action against individual offenders.
The Board recommends that UNRWA prepare and issue comprehensive inventory count procedures to guide and direct the inventory count at field offices (para. 117).	UNRWA has switched from annual rolling stock checks to complete quarterly checks since the first quarter of 2011. Over this time the guidance documents have been continuously refined. Results have been excellent. In particular the quarterly reconciliations are now far less onerous, indicating that transaction posting is being done promptly. Discrepancies requiring investigation are significantly lower both in number and in value.
UNRWA agreed with the Board's recommendation that it enhance its supply manual to address the inconsistent procedures applied by its field offices in issuing inventories that it addresses the gaps identified in the process of issuing inventories (para. 118).	Policy on inventory management is held in three separate documents: the manual of supply procedures, the financial technical instructions and the procurement and inventory management system. The Agency is implementing an enterprise resource planning system and the detailed design of the inventory process to be included in the new system is currently under discussion. As the new process should be introduced in mid-2014, UNRWA will not revise the current policies but will instead develop a new manual based on the processes built into the enterprise resource planning system in 2013 and 2014, which will be ready for the roll-out of the procurement and supply modules of the system.

Brief description of the recommendation	*Action taken to implement the recommendation*
The Board reiterates its previous recommendation that UNRWA fully implement its human resources strategy and plan (para. 122).	Human resources indicators have been defined in line with strategic priorities as described in the headquarters implementation plan and the field implementation plan for 2012-2013 and have been included in the results-based management system. They will be reported on regularly.
UNRWA agreed with the Board's recommendation that it implement a process for managing and monitoring vacancies to ensure that critical posts are filled in a timely fashion so that the Agency can deliver services to the refugees (para. 123).	UNRWA has proceeded to put a process in place to monitor vacancies to ensure that critical posts are filled in a timely fashion. In consultation with the field and headquarters, five human resource common indicators and targets and benchmarks were set for the biennium 2012-2013 and included as part of the results-based management system in the field implementation plans and headquarters implementation plan for the Human Resources Department. Two of these indicators refer to the management of vacancies. The timeline for recruitment processes is closely monitored and regularly reported on.
UNRWA agreed with the Board's recommendation that it expedite the implementation of its performance management policy to ensure that roles and responsibilities are clarified, consequences for non-compliance are specified and appropriate measures are taken against supervisors who fail to comply (para. 130).	*Roll-out of the performance management policy and web-based system.* As UNRWA has over 30,000 staff, the Agency adopted a phased approach to the roll-out which started with teachers in the 2010/11 school year (15,000 teachers evaluated through the online system) and continued with head teachers and assistant head teachers in August 2012 and education specialists, doctors, nurses and human resources staff in December 2012. In 2013, UNRWA will conduct training to include all senior area and international staff across the Agency. The current form will continue to be used until the training sessions are concluded. *Ensuring the completion of the process.* The updated performance management policy that was approved by the Commissioner-General in March 2012 includes additional clarification of the responsibilities of immediate and second supervisors for completing certain stages of the performance cycle. In addition, one of the roles of the oversight panels is to validate that the performance cycle is applied in a timely and consistent manner. It is expected that the panels will review completion rates and provide

Brief description of the recommendation	*Action taken to implement the recommendation*
	direction and motivation where required. The ePer system, once completed and rolled out, will alert supervisors when action needs to be taken and supervisors can at any time access the system to check on the completion status of the reports conducted by staff. Human resources administrators also have access to check completion rates and follow up with managers where required. In addition, the implementation of a unified performance management cycle (January to December for all staff except teaching staff) will make follow-up and oversight significantly easier and more efficient. *Consequences for non-completion of reports in ePer by supervisors.* At the end of the cycle, second supervisors are required to evaluate staff under their supervision in a number of areas, including, where appropriate, team management. The responsibility of the second supervisor includes holding the immediate supervisor accountable for the timely appraisal of the staff member's performance, including comment in the immediate supervisor's own ePer with respect to that function. All supervisors have a standard section on management in their performance appraisals that provides an opportunity for supervisors to give such feedback. As a result, non-completion of a team member's evaluation will affect the performance evaluation of the immediate supervisor. As performance evaluations are used for other talent management processes such as recruitment and promotion, UNRWA believes that this is an appropriate measure which will motivate supervisors to comply.
UNRWA agreed with the Board's recommendation that it implement a process for managing vacancies to ensure that adequate time was given for the recruitment of skilled and experienced staff and that the recruitment process remained fair and competitive (para. 133).	The Agency's staffing directive specifies that vacancies should normally be advertised for 30 days. However, there are circumstances in which posts are advertised for a shorter period for specific operational reasons.

Brief description of the recommendation	*Action taken to implement the recommendation*
UNRWA agreed with the Board's recommendation that it expedite the process of implementing the monitoring tool for risk management (para. 140).	Risk registers are central repositories for all risks and include, for each risk, information on risk probability, impact, countermeasures and risk owner. They have been used as a risk monitoring tool as part of the 2012/13 biennium plans and are updated and monitored on an annual basis, most recently in September 2012. The risk registers will be updated again in 2013 in connection with the biennium plans for 2014/15.
UNRWA agreed with the Board's recommendation that it address the weaknesses identified with regard to its security settings and segregation of duties in the information technology functions (para. 143).	A user account management policy for user access has been issued and the implementation is ongoing.
UNRWA agreed with the Board's recommendation that it institute mechanisms to monitor compliance with the information security policy on a regular basis (para. 144).	A user account management policy for user access has been issued and the implementation is ongoing.
UNRWA agreed with the Board's recommendation that it (a) develop, approve and implement a detailed user account management policy and procedure for application in the management of user access; and (b) regularly review the appropriateness of access rights granted to users (para. 146).	A user account management policy for user access has been issued and the implementation is ongoing.
UNRWA agreed with the Board's recommendation that it (a) assign an additional staff member in the interim to monitor and review all changes made to the system; (b) regularly monitor the activities of the database administrators; and (c) implement an automated logging tool to log all changes made to the system (para. 151).	A new database administrator, tasked with reviewing all database and programme changes, is on board and the process has been established.
UNRWA agreed with the Board's recommendation that it develop a comprehensive physical access and environmental control policy and procedure to be applied to its server rooms (para. 153).	The comprehensive physical access and environmental policy was issued in October 2012 and the implementation is ongoing.

Brief description of the recommendation	*Action taken to implement the recommendation*
UNRWA agreed with the Board's recommendation that it (a) clearly define the responsibility for plan testing and process backlog initiation in its disaster recovery plan; (b) finalize and approve the plan; and (c) develop and approve a business continuity plan (para. 158).	The Information Systems Division has developed an UNRWA disaster recovery policy and a disaster recovery plan for headquarters facilities. While a disaster recovery plan for the Agency data centre is currently being developed, the Division maintains a recovery procedure at the alternate data centre in Brindisi. At the same time, the Division is deploying a new disk-to-disk backup technology to replace the existing disk-to-tape one, in order to align the disaster recovery plan recovery time objective and the recovery point objective with the published policy.
UNRWA agreed with the Board's recommendation that it (a) implement safeguards to ensure that off-site and on-site backup tapes, as well as tapes in transit, are adequately protected from unauthorized physical access and environmental hazards; and (b) formally document all off-site backup arrangements (para. 162).	The recommendation has been incorporated in the disaster recovery policy. Implementation is ongoing.
UNRWA agreed with the Board's recommendation that it align the organizational directives relating to the Advisory Committee on Internal Oversight with best practice (para. 167).	The charter of the Advisory Committee on Internal Oversight has been updated to represent current United Nations practice. The revised charter was issued by the Commissioner-General on 5 October 2012 as organizational directive No. 24.
The Board recommends that UNRWA develop plans to expedite the process of recruiting the Director of Internal Oversight Services (para. 171).	The appointment of the present Director of Internal Oversight Services and the subsequent extension of the contract, which were fully supported by the external members of the Advisory Committee on Internal Oversight, were done to bring stability to the department in the light of the continued high staff turnover and difficulties in recruiting competent audit staff. The contract of the incumbent Director was extended until March 2014. The recruitment process will begin approximately six months prior to the expiration of the contract.

Brief description of the recommendation	*Action taken to implement the recommendation*
The Board recommends that UNRWA prioritize the implementation of internal audit recommendations, with emphasis on high-risk areas identified by internal audit (para. 178).	In December 2012, the Department of Internal Oversight Services prepared and sent a list of open high-risk recommendations to the Executive Office in order for the latter to communicate with the relevant directors and departments for their expedited follow-up. The Department will henceforth send a list of open high-risk recommendations to the Executive Office on 30 June and 31 December of each year. This process will be formalized in the Department's standard operating procedures on internal audit recommendation follow-up, which is currently being drafted.
The Board recommends that UNRWA review the adequacy of the staff resources and capacity of the evaluation and investigation units and provide the necessary resources (para. 185).	The staff resource and capacity needs of the Investigation Division have been assessed as part of a review of the Agency's investigation function. An internal process to determine the best Agency response to the needs is ongoing. The capacity of the Evaluation Division was expanded in 2012 and the staff resource and capacity needs of the Division are being assessed as part of the building of the Agency's consolidated evaluation function.
The Board recommends that UNRWA consider the implications of the information generated regarding all cases of misconduct in terms of (a) the capacity of the investigation department; and (b) the appropriate disposition of cases and the improvement of controls, systems and other fraud prevention measures (para. 188).	The case management system is operational and all field offices are entering investigation cases in the system, which enables the Department of Internal Oversight Services to conduct a quality assurance review of the cases. The Department also focused on tailoring the system to better assist the field offices and generating reports systematically each month. As part of the process of instituting a more transparent process for the review of allegations of misconduct, the Department also established intake committees in the field offices.